

United States Government

Department of Energy
Bonneville Power Administration

memorandum

DATE: August 14, 2007

REPLY TO
ATTN OF: IG-32 (A07DN006)

SUBJECT: Response to Draft Report :Management Controls Over the Bonneville Power Administration's Personal Property Accountability"

TO: George Collard, Assistant Inspector General for Performance Audits
Office of the Inspector General

Thank you for the opportunity to comment on the Draft report titled "Management Controls over the Bonneville Power Administration's Personal Property Accountability," dated July 19, 2007. The Bonneville Power Administration (BPA) agrees conceptually with the draft report's recommendations because they add to overall efficiency to the BPA Property Management Program. However, we note that BPA property losses are lower than similarly sized utilities; wish to correct some inaccuracies; and offer proposed revisions to some of the recommendations as delineated in Attachment I.

Our response to your recommendations with suggested slight revisions to some follows.

Recommendation Number 1.a.: Timely entry of personal property information into Sunflower and reconciliation of records of lost or stolen property.

We agree with the DOE-IG's findings regarding the need for timely entry of personal property information into Sunflower. BPA is inserting property management elements in BPA manager contracts. BPA has also scheduled additional training of BPA property Asset Center Representatives (ACR) and property custodians to ensure both understand the requirement for timely entry of property information and are adequately trained in the use of the Sunflower system to carry out their assigned duties. A property communication program will be implemented in fiscal year 2008 to educate users of their roles and responsibilities. Also BPA will institute a written acceptance procedure for portable electronic equipment.

BPA suggests that the language "and reconciliation of records of lost or stolen property" be deleted from the recommendation. BPA believes that inconsistencies between unofficial property loss logs and the official Sunflower records is not a significant property management issue. Sunflower is the official BPA property reporting system. It matches actual (official) property loss reports.

Recommendation Number 1.b.: Implementing an independent physical validation that inventories are properly conducted and items are physically located before being accepted as transferred items in Sunflower.

We agree with the objective of the recommendation, but propose an alternative approach. BPA believes that training and more frequent compliance reviews best validate that inventories are being properly conducted and that custodians physically confirm an asset's existence and location before accepting the asset in Sunflower. BPA has hired one new employee (and possibly another) to support the Organizational Property Management Officer to conduct additional compliance reviews. Additional training will also be provided to ACRs and custodians to support this objective. Please see our proposed alternative recommendation language in Attachment I.

Recommendation Number 1.c.: Ensuring that all new IT assets are immediately entered into Sunflower.

We agree with the recommendation. BPA's Enterprise Process Improvement Program (EPIP) recommendation will address this recommendation by requiring the control centers to use Sunflower to track personal property. However the ability to ensure "all" assets are immediately entered into Sunflower will not be fully realized until the EPIP recommendation is fully implemented in fiscal year 2009. All other organizations will ensure that assets are entered into Sunflower in a timely manner through training that reminds property custodians of the requirement. BPA will also validate the timeliness of data entry using compliance reviews of custodians and steward organizations. We have proposed alternative language for this recommendation in Attachment I.

Recommendation Number 2: Establish and implement a training schedule for property personnel for initial and refresher training that includes hands-on application of property management actions in Sunflower to ensure that asset location information is complete, accurate, and consistently recorded.

We agree with the DOE IG that providing comprehensive training opportunities is an important element in ensuring a successful property program. BPA has scheduled Sunflower training classes for ACRs and property custodians and is in the process of scheduling training for property field personnel. The sessions will offer a range of training methods including, but not be limited to, hands on training. We request a slight modification in the recommendation in Attachment I to ensure that our training is flexible and responsive to the needs of our ACRs and property custodians.

Recommendation Number 3: Review and identify the appropriate controls over entering item location information in Sunflower and ensure that Sunflower is updated to correct any weaknesses identified during the review.

We agree with the recommendation. BPA is taking steps to remove all closed sites from the Sunflower application. Further, the Sunflower administrator and property management staff will work with custodians and ACRs to create standard location templates for BPA sites and will cleanse the Sunflower system of incorrect or duplicative site information.

BPA will include a link to the final audit report and other relevant background information on our Web site at http://www.bpa.gov/corporate/about_bpa/audits/

Again, thank you for allowing us the opportunity to comment on the draft report.

Sincerely,



Attachment

cc:

C. Sell – DS-1

D. Hill – GC-1

K. Kolevar – OE-1

I. Kolb – MA-1